FAS REPORT

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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 28-83

WASHINGTON, July 13-The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

In INDIA, the 1983 summer monsoon thus far can be characterized as being later and weaker than normal. Monsoon rains touched the southwest coastal region about two weeks later than normal, bringing much needed rains to the area. Its northward movement has been steady, and by early July it had reached Pakistan. However, rainfall levels have been less than normal, particularly in the central and southern regions of India. The delay in the onset of the monsoon and its performance so far should have little impact on the 1983 rice crop, which is projected by the agricultural counselor in New Delhi at 79.6 million tons (rough basis), up 15 percent from the drought-reduced 1982 crop. However, weather conditions in the remainder of July and early August will be critically important to producing a good crop.

OILSEEDS AND PRODUCTS

WEST EUROPEAN exports of 614,000 tons of soybean meal to the Soviet Union in January-March 1983 were 123 percent above the 275,000 tons shipped in the comparable 1982 period. Exports from the three main supplying countries in the first quarter of 1983 were as follows (1982 in parentheses): Netherlands, 446,000 tons (266,000); West Germany, 143,000 tons (0); and Belgium, 25,000 tons (9,000). The Soviet Union imported 1.7 million tons of soybean meal from all sources in 1982 and the current estimate for 1983 is for a further increase to 2.6 million tons.

The Soviet Union has never imported significant quantities of soybean meal from the United States.

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CHINA now considers itself to be basically self-sufficient in oilseeds. This has been achieved mainly through greatly increased rapeseed production, which has more than doubled in two years due to changes in the production plan and procurement price policy. Cottonseed and sunflowerseed also have had huge production increases. Per capita consumption of edible oils is said to have increased from 1.6 kilograms in 1978 to 3.6 kilograms in 1982. Because edible oil stocks are now considered to be in surplus, the Chinese policy for 1983 has been to adjust production through lower quotas and the elimination of the price bonus for rapeseed production. The 1983 plan called for oilseed production to drop by 1.5 million tons; however, at this point, it appears that production will not fall by such a large margin. It may take another year for growers to realize that their returns for producing oilseeds will not be as great as in the past.

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Imports of most oilseeds and products are not now seen as necessary by Chinese officials. In 1982, the United States exported 246,000 tons of soybeans worth $63.2 million to China. However, the last shipment occurred in May, 1982. Earlier this year, China banned the importation of U.S. soybeans in response to U.S. restrictions on Chinese textile imports.

DAIRY, LIVESTOCK AND POULTRY

Red meat production in the GERMAN DEMOCRATIC REPUBLIC (GDR) is expected to show little expansion in 1983 or 1984, according to the U.S. agricultural attache in Berlin. Beef production is forecast down slightly this year to 425,000 tons and to remain unchanged next year. Pork production is expected to rise less than 1 percent this year to 1.22 million tons, but gain about 4 percent next year. The expected slowdown in the growth of meat production stems from the GDR policy of increasing reliance on domestic feeds and roughage, and reducing imports of grain and protein feeds.

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In the EUROPEAN COMMUNITY, the Irish Dairy Board has sold an estimated 8,500 tons of butter and 4,000 tons of nonfat dairy milk (NFDM) to the Algerian state purchasing agencies, the National Office of Commerce (ONACO) and the Central Regional Milk Office (ORLAC). The shipping period began in April. These shipments are from the commercial market, that is, non-intervention stocks.

The butter price to the Algerians, after export refunds, is in the area of $1,800 per ton. Further sales are likely to be negotiated this fall.

COTTON

Cotton exports from the UNITED STATES dropped sharply during May as movement declined to Asia and Eastern Europe. Exports for the month totaled 484,000 bales, 24 percent below April, but they were above the August-February levels. Leading distinations were Japan and South Korea. May exports to Asia fell 13 percent and to Europe 46 percent from April levels. U.S. exports through the 1982/83 season are forecast at 5.1 million bales. Export movement through May totaled 4.3 million bales.

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In WEST GERMANY, prospects for domestic raw cotton consumption have improved considerably in recent months, according to the U.S. agricultural attache. Consumption in 1982/83 could reach 820,000 bales, up 60,000 bales form the previous estimate. This increase has been attributed to growing consumer demand for natural fiber products. The tightened world supplies of medium- and high-grade cotton have also prompted a substantial increase in West German cotton imports. Imports during the first nine months of the current season are 12 percent above the same period a year ago and they could reach 860,000 bales.

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TOBACCO

In SPAIN, the Ministry of Agriculture issued regulations on May 30 for the 1983/84 tobacco marketing year. Production allocations (tonnage basis) allow for a 16-percent boost in production from the actual output harvested in 1982. The new regulations are designed to continue the trend of increasing production of flue-cured tobacco. The average grower price schedule contained in the 1983/84 marketing regulations has increases for all leaf types ranging from a 7-percent hike for burley tobacco leaf to an 11-percent price increase for flue-cured tobacco. Burley tobacco output is estimated to account for nearly 84 percent of total tobacco production.

USDA currently estimates 1983 Spanish tobacco production at 42,075 tons (farm sales weight), down 4 percent from last year. Minor irrigation water supply problems are now expected as a result of drought conditions in the key producing areas of Caceres and Granada provinces, which account for about 85-90 percent of all tobacco produced in Spain.

SUGAR

Sugar production in SOUTH AFRICA is estimated to be 1.67 million tons (raw value) in 1983/84, compared with a record high of 2.26 million tons (raw value) in 1982/83. The 26-percent drop resulted from drought damage to the sugarcane crop.

With current consumption levels and the industry's desire to fulfill its export contracts, South Africa is expected to import some 235,000 tons of sugar to meet these demands.

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Sugar production for 1983/84 in MAURITIUS is estimated at 652,000 tons (raw value) down 11 percent from the 729,000 tons produced the previous year. The production decline is a result of a severe drought that has affected the country during the past several months.

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The 1982/83 raw sugar production estimate for the DOMINICAN REPUBLIC is revised upward to 1.28 million tons from 1.20 million, compared with 1.28 million the previous year. With just two small mills still grinding sugarcane, the 1982/83 harvest is nearly complete.

Excellent weather points to a possible modest increase in the 1983/84 crop. The harvest will begin late this year.

Selected International Prices

Item	July 12, 1983		Change from previous week	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.13/	206.00	5.61	+8.50	197.00
U.S. No. 2 DNS/NS: 14%...	185.00	5.03	+.50	177.50
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	176.00
U.S. No. 2 S.R.W..........	149.00	4.06	N.Q.	141.00
U.S. No. 3 H.A.D.........	193.00	5.25	+1.00	168.00
Canadian No. 1 A: Durum.14/	205.00	5.58	+2.00	N.Q.
Feed grains:				
U.S. No. 3 Yellow Corn....	151.00	3.84	+4.00	124.50
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	N.Q.
Feed Barley 3/...........	N.Q.	--	--	N.Q.
Soybeans and meal:				
U.S. No. 2 Yellow.........	256.00	6.97	+10.00	250.00
Brazil 47/48% SoyaPellets 4/	226.00	--	+14.50	216.00
U.S. 44% Soybean Meal.....	219.00	--	-4.00	213.00
U.S. FARM PRICES 5/				
Wheat.....................	125.30	3.41	-.36	117.58
Barley....................	77.16	1.68	+.92	77.16
Corn......................	123.62	3.14	+2.37	98.03
Sorghum...................	108.91	4.94 6/	+.88	95.68
Broilers 7/..............	1173.07	--	+33.07	N.A.
EC IMPORT LEVIES				
Wheat 8/.................	100.33	2.73	-.10	102.70
Barley....................	97.00	2.11	-7.11	88.50
Corn......................	71.17	1.81	-5.79	90.45
Sorghum...................	86.87	2.21	-3.69	91.90
Broilers 9/..............	276.00	--	-3.00 *	256.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	177.17	4.82	-1.68	174.82
Bread wheat..............	194.32	5.29	-1.83	200.75
Barley and all other feed grains.......	177.17	--	-1.68	174.82
Broilers 11/.............	1140.00	--	-15.00	--
EC EXPORT RESTITUTIONS (subsidies)				
Wheat 12/................	26.12	.71	-.18	64.05
Wheat flour..............	N.Q.	N.Q.	N.Q.	N.Q.
Barley....................	55.80	1.21	-2.97	N.A.
Broilers 9/..............	198.00	--	-2.00 *	170.00
Sugar, refined 15/........	282.77	--	+28.12	N.A.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ F.O.B. price for R.T.C. broilers at West German border. 12/ Corrective amount, July - zero, Aug-Sept 40 ECU's. 13/ Sept. shipment. 14/ Oct-Nov shipment. 15/ For week ending July 8 based on a maximum subsidy of 26.659 ECU's. N.Q.=Not quoted. N.A.=None authorized. Note: Basis July delivery. *Reflects currency fluctuation and not change in level set by EC.

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[1] Available from FAS, Information Division, Room 5918 South Building.

[2] Prepared jointly by USDA's Foreign Agricultural Service, Economic Research Service and the World Agricultural Outlook Board. Limited number of copies and subscription information are available from the World Agricultural Outlook Board Room 5143 South Building, Washington, D.C. 20250. Telephone (202) 447-5447.

[3] On day of release copies available from USDA Press Service.

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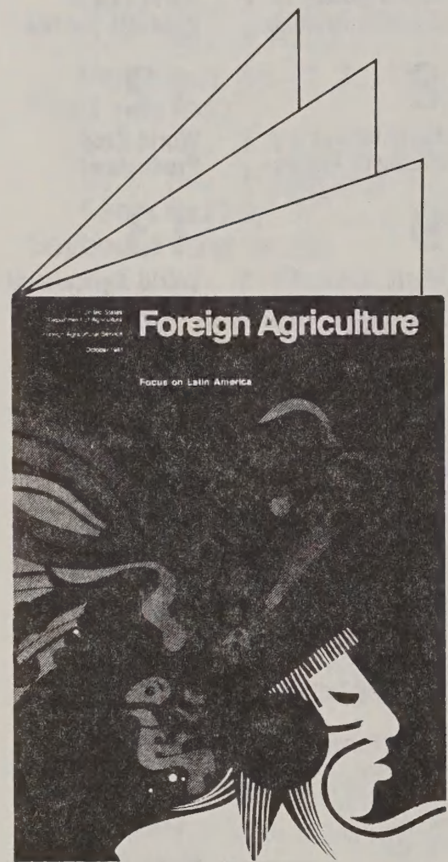

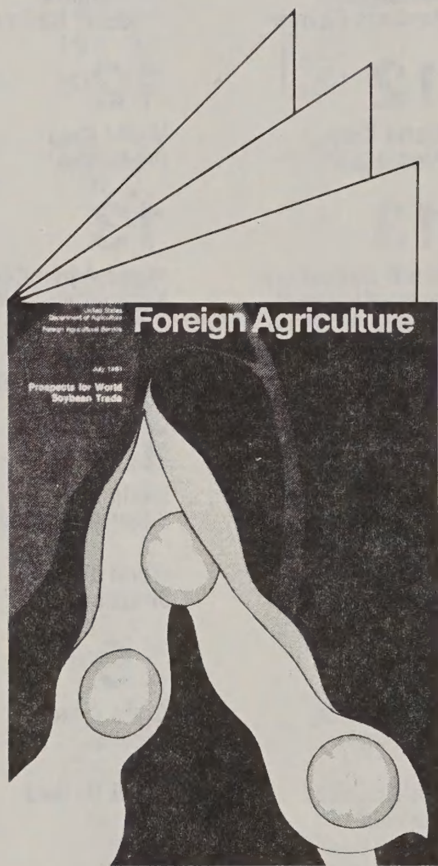

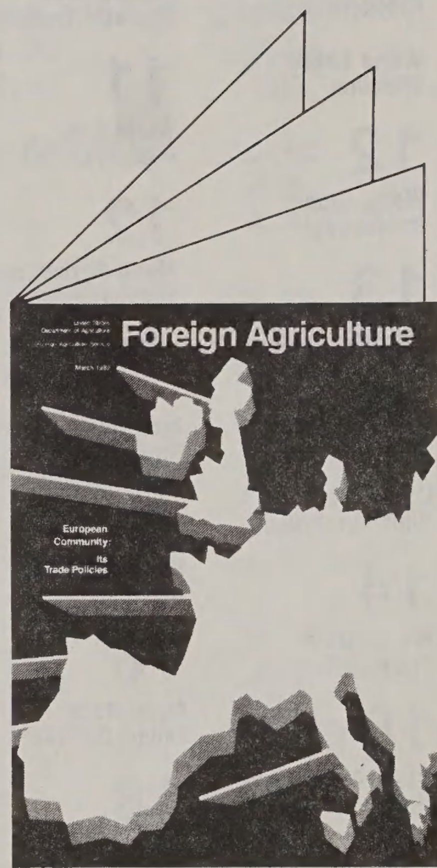

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